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Central Intelligence Agency
Office of the Deputy Director for Intelligence

22 December 1986

NOTE TO: Brigadier General David S. Watrous, USAF
Commander-in-Chief, USCINCPAC

Dave

Given the interest generated by South Korea's campaign against the large hydroelectric project North Korea is planning near the DMZ, I thought you might want to read the attached assessment. [redacted]

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[redacted] We are working on a more detailed study of the project and will forward it to you early next year.

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[redacted]
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Deputy Director for Intelligence

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

12 December 1986

The Kumgangsan Dam Controversy [REDACTED]

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Summary

Seoul claims that P'yongyang's Kumgangsan Dam--to be located about 10 kilometers from the DMZ--poses a serious economic and military threat to the South. [REDACTED]

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[REDACTED]

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[REDACTED] In our view, the Kumgangsan Dam project has a primarily economic goal and is not intended to threaten the South. [REDACTED]

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The Political Angle: Seoul's Charges

P'yongyang media announced on 21 October that groundbreaking ceremonies had been held for the massive Kumgangsan hydroelectric power station, one of the country's major economic projects, and that large numbers of North Korean soldiers were participating in the construction. Since then, Seoul--in a well-planned media campaign--has charged that the dam would threaten the South's

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[redacted]

economy and security, cause shortages of agricultural, industrial, and drinking water, and considerably reduce the electric power generation capacity of five South Korean dams. The government also has claimed that a deliberate or accidental destruction of the dam would devastate the central part of the peninsula, inundate Seoul, and result in long-term destruction of the ecosystem. [redacted]

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Part of the Antileftist Crackdown

In our view, the timing of Seoul's publicity of the dam highlights the South Koreans' political motives. [redacted]

[redacted]

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- Seoul has known since at least 1984 that North Korea was planning to build a giant dam near the DMZ, but made no move to solicit US views on the issue or to map out a coordinated counterstrategy. Either move would be expected if there were genuine concern about a security threat.

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P'yongyang's Response

P'yongyang responded to Seoul's charges by imposing a news blackout on its Kumgangsan Dam activities and launching its own propaganda campaign. It claims that:

- The Kumgangsan project is only an effort to develop Kangwon Province's water resources, and that rather than adversely affecting the South, the dam will help prevent seasonal flood damage there.

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- [REDACTED]
- The dam will hold only 3.6 billion rather than the 20 billion tons of water claimed by Seoul.
 - Water resource exploitation should be settled bilaterally, not by international mediation, which would foster the "two Koreas" concept. [REDACTED]

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Economic Importance to the North

We believe P'yongyang's plan to build the Kumgangsan hydroelectric power plant in Kangwon Province is part of a long-range goal to expand electric power output rather than a means to threaten the South. Shortages of all forms of energy have long plagued the North and have had repercussions throughout the economy. [REDACTED]

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[REDACTED] The Kumgangsan plant would be particularly important to Kangwon Province, long neglected in the development of its electric power base. [REDACTED]

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Reportedly, the system will consist of several dams and pumping stations that will draw water not only from the Pukhan River, which flows into the South, but also from the Imjin and other rivers. Damming the lower reaches of the North Korean portion of the Pukhan River will back the water up to form a reservoir that will cover much of Ch'angdo County. This water will be carried about 50 to 60 kilometers from the site of the dam to provide power for generating equipment to be installed roughly 15 to 25 kilometers south of the port city of Wonsan in the area of Sinhwa-ri and Munsu-ri. [REDACTED]

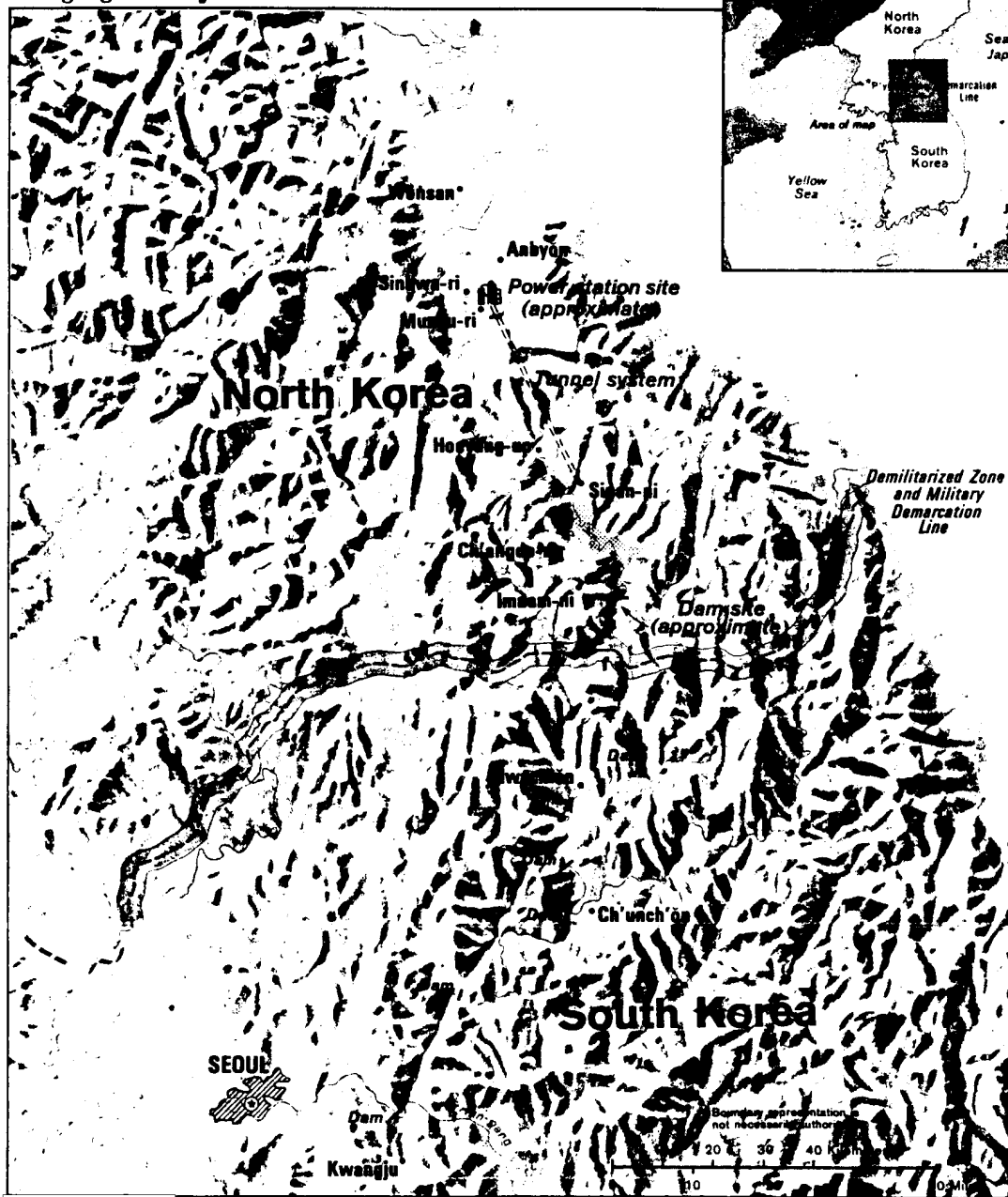
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We believe that it will be many years before the project is finished, especially because the North apparently plans to do most if not all of the work itself. Completion of the dams probably will take at least seven years, but the reservoir will not fill to capacity for several years after that. Building this power plant is likely to be a formidable undertaking for the North Koreans, who have only recently begun to manufacture 125,000-kilowatt generators, the size to be installed in the new T'aech'on hydroelectric plant and probably to be used in the Kumgangsan plant. [REDACTED]

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Kumgangsan Project



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Impact on the South's Economy

We believe the impact on the South Korean economy resulting from a reduced flow of water caused by the Kumgangsan dam could be managed by Seoul:

- Agricultural production. Less than 3 percent of South Korea's total cultivated land is in the seven counties bordering the Pukhan and Han Rivers from the DMZ to Seoul, and only a fraction of that is directly dependent on waters from those rivers...
- Hydroelectric power capacity. The five dams along the affected rivers generate only about 2 percent of South Korea's electricity; Seoul's ambitious nuclear power program will reduce hydropower's share.
- Water for industrial use. The Kumgangsan dam will cut off less than 10 percent of the Han River watershed area, according to our estimates. Upstream, some local industries will encounter difficulties, particularly in the more heavily populated areas such as Hwach'on and Ch'unch'on.

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Military Implications

We see little merit in Seoul's claims of a military motive behind North Korea's plans to build the Kumgangsan Dam. A breach of the dam would destroy some bridges, roads, and crossing points in the Han River valley and impair the mobility of South Korean forces. But these lines of communication are the same ones the North would need for an invasion. The long construction period for the dam would enable the South to relocate military units and facilities.

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